

## **9-0300.00 SINGLE AUDIT ACT -- OMB CIRCULAR A-133**

### **9-0300.10 INTRODUCTION**

Most school districts receiving Federal assistance shall have financial and compliance audits on an annual basis. The Single Audit Act (OMB Circular A-133) provides for a uniform approach to the audit of all federal aid programs by establishing policies, procedures and guidelines. The single audits under the law must be performed using generally accepted government auditing standards by independent auditors using due professional care and accountability.

### **9-0300.20 FEATURES**

The Single Audit Act requires that:

- 1) School districts that spend more than \$500,000 per year in Federal financial assistance must have annual financial and compliance audits unless they perform such examinations on a biennial basis as required under State or local law; they may then continue that schedule.
- 2) School districts that spend less than \$500,000 of Federal financial assistance per year are not required by Federal regulations to have audits performed under a Federal requirement but are expected to retain accounting records so that Federal auditors can conduct audits if warranted.

### **9-0300.30 MONTANA AUDIT REQUIREMENTS**

Montana's audit requirements meet the requirements of the Single Audit Act.

Who is required to have an audit? Each district with **over \$500,000** of total revenues (all funds) in a year is required to have an audit.

For those elementary and high school districts that are audited together, the revenues of both districts are combined to apply the criteria.

A district that spends **\$500,000 or more of Federal financial assistance** must have a Single Audit.

Districts with **less than \$500,000 total revenue, and \$500,000** (\$500,000 effective 7/1/04) **or less of Federal financial assistance expenditures** will have a review (not audit) approximately every four years as requested by OPI and the Department of Administration. [Section 2-7-503, MCA]

**9-0300.40      AUDIT REQUIREMENTS MATRIX**

**WHO IS REQUIRED TO HAVE AN AUDIT:**

<b>FEDERAL EXPENDITURES (Including USDA Commodities):</b>	<b>TOTAL REVENUES (ALL FUNDS):</b>	<b>TYPE OF AUDIT OR REVIEW REQUIRED:</b>	<b>COMMENTS:</b>
<b>N / A</b>	\$500,000 or less*	Review contracted auditor. <b>Due June 30</b>	By Dept of Administration on a one year at a time, rotating 4-year schedule. OPI or Dept of Administration with notify.  Basically review of procedures , especially for revenues and expenditures
	More than \$500,000	Regular Audit – Also known as "Yellowbook Audit" <b>Due June 30</b>	By contracted auditor (Dept of Administration has standard contracts and a roster of authorized auditors  Usually one year. May be for two years, if approved by Dept of Administration.
<b>\$500,000 or more</b>		Single Audit – Also known as "Federal Audit" or "A-133 Audit" <b>Due March 31</b>	By contracted auditor (Dept of Administration has standard contracts and a roster of authorized auditors  Usually one year. May be for two years, if approved by Dept of Administration.  Regular Audit, plus some additional procedures to review and report on federal programs

\* To estimate, sum all revenues in all funds except bond proceeds and transfers (Rev. code 5100, 5300, 9710).

\*\* Local Government Services Division of the Montana Department of Administration (406) 841-2906.

Please call the School Finance staff at (406) 444-0783 if you have any questions about audits.